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RUEHCV/AMEMBASSY CARACAS 0074
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SUBJECT: Santiago Nov. 2 Media Report

Lead Story

¶1. Undersecretary of the Interior Patricio Rosende denounced the use of children as shields in illegal land occupations and demonstrations by Mapuche indigenous communities. Video material confirming his remarks was shown to the Senate's Constitutional Committee last week (Conservative, influential El Mercurio 11/1).

U.S.-Related News

¶2. Secretary of State Hillary Clinton greeted a small group of Chilean women entrepreneurs attending the "Pathways to Prosperity in the Americas" Conference (Conservative, independent La Tercera 11/1).

¶3. Article on U.S. Ambassador Paul Simons' remarks on "Environmental Policies of President Obama" to regional authorities, students, and professors at Universidad Arturo Prat in Iquique (www.unap.cl , 11/2).

¶4. According to the American Chilean Chamber of Commerce, Chile's commercial exchange with Florida in 2008 totaled US\$5.358 billion; Texas US\$4.372; California US\$2.825; and Georgia US\$213 million (La Tercera, 11/1).

¶5. Senate President Jovino Novoa has just returned from Washington, D.C., where he met with Obama administration officials and congressmen to learn about the checks and balances used in the U.S. Congress. Based on his trip, Novoa prepared a draft proposal that includes, among other things, the Senate's participation in the nomination of three government officials who are appointed by the President: the directors of the Electoral Service, Civil Registration and Identification Service, and the National Economic Prosecutor (El Mercurio, 11/2).

Honduras

¶ 16. U.S. Ambassador to Honduras Hugo Llorens announced that in support of the agreement reached by both parties, the United States would re-open its Non-Immigrant Visa service starting November 2. The United States did not, however, say when and if it would reestablish financial aid (La Tercera, 11/1).

¶ 17. The agreement in Honduras was the result of direct and strong U.S. pressure. The United States sent some of its highest ranking Department of State officials to Tegucigalpa to "diplomatically" remind the parties in conflict that the United States would not endorse the November election without a solution to the crisis and that it is the main destination for Honduran exports. Negotiations began to move smoothly after that. The road ahead is not easy, but Honduras has taken the most important first step (Government-owned La Nacion, 11/1-7).

¶ 18. Spanish daily "El Pais" said that Assistant Secretary Shannon had met in Tegucigalpa with Porfirio Lobo, who has a good chance to become Honduras' next president, to explain the agreement. Reportedly, Shannon said that Zelaya needed a guarantee that Congress would vote in favor of his reinstatement and asked Lobo to commit his party's votes in Congress (El Mercurio, 11/2).

¶ 19. Just two days after signing the agreement, Manuel Zelaya and the government led by Roberto Micheletti began disagreeing on the agreement's terms and deadlines for Zelaya's reinstatement (El Mercurio, 11/2).

¶ 10. The breakthrough in Honduras was possible thanks to the U.S. delegation led by Thomas Shannon, Craig Kelly, and Dan Restrepo. U.S. sources said that Micheletti had yielded when the U.S. officials affirmed that the accord would limit Zelaya's power and that the Supreme Court and Congress would decide if he is reinstated. Reportedly, Micheletti wanted assurance that he is not the target of international scorn and that whomever takes office in January is internationally recognized (La Tercera, 10/31).

¶ 11. It was Washington, and not the OAS or President Arias, who succeeded in persuading the two parties to sign an agreement. Why? Because the OAS... and Arias had embraced Zelaya's position from the beginning of the crisis. This earned them the distrust of a wide sector of Honduras society and contributed to further dissent The United States... took a distance from events from the start... and gave the two parties in conflict room to save face.... OAS Secretary General Jose Miguel Insulza therefore missed the chance for his organization to win back its prestige and validity (????lvaro Vargas Llosa column, La Tercera, 11/1).

¶ 12. Editorial concludes: "The way in which the agreement was reached in Honduras clearly shows that U.S. diplomacy and muscle still have great influence in the region" (La Tercera, 10/31).

¶ 13. Manuel Zelaya threatened that he would not recognize the United Reconciled Government if Congress does not reinstate him in office by Thursday (La Nacion, 11/2).

¶ 14. Editorial: "Micheletti and Zelaya accepted signing an agreement under U.S. direct pressure.... For months no one, not the OAS, presidents, foreign ministers nor delegations from other countries in the region succeeded in this endeavor The crisis in Honduras shows that neither the region nor the United States are willing to accept a constitutional rupture that implies a presidential ousting. But it also shows that there is no mechanism

to deal with a democratically elected head of state who exceeds his attributions... The resolution of the crisis in Honduras will probably unblock Arturo Valenzuela's nomination in the U.S. Senate.... His confirmation would be a positive sign from the United States for the region" (*El Mercurio*, 11/2).

SIMONS